

## Message Text

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ORIGIN EB-11

INFO OCT-01 NEA-14 ISO-00 COME-00 INT-08 MC-02 DODE-00

CIAE-00 INR-10 NSAE-00 RSC-01 TRSE-00 AEC-11 ACDA-19

/077 R

DRAFTED BY EB/ISM:WPOLIK:LMP

APPROVED BY EB/ISM:MJDUX

NEA/IRN:BBMORTON

COMMERCE:DPETERSON

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R 202140Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN

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E.O. 11652: N/A

TAGS: EIND, ETRD, IR

SUBJECT: US FERROUS SCRAP EXPORTS

1. ACTING ON INSTRUCTIONS FROM TEHERAN, IRANIAN EMBASSY FINANCIAL COUNSELOR SAFAI MET MAY 20 WITH DEPTOFFS TO REQUEST US FERROUS SCRAP QUOTA FOR IRAN. SAFAI SAID IRAN'S SCRAP IMPORT NEEDS WERE ON ORDER OF 100-150,000 METRIC YEARS PER YEAR.

2. DEPTOFFS REVIEWED USG FERROUS SCRAP EXPORT LICENSING POLICY AND PROCEDURES WITH SAFAI, NOTING THAT ABSENCE OF IRANIAN SCRAP QUOTA UNDER CURRENT PROGRAM WAS DUE TO LACK OF US SCRAP EXPORTS TO IRAN DURING JULY 1970-JUNE 1973 BASE PERIOD ON WHICH INDIVIDUAL COUNTRY QUOTAS CALCULATED. THUS, ONLY WAY FOR IRAN TO OBTAIN "QUOTA" WAS THROUGH A ONE-TIME CONTINGENCY RESERVE ALLOCATION. CURRENT QUARTER'S 2.1 MILLION SHORT TON(ST) EXPORT LICENSING LIMIT INCLUDES 150,000 ST CONTINGENCY RESERVE TO MEET UNDUE HARDSHIPS OF FOREIGN COUNTRIES AND OF US EXPORTERS. SECOND QUARTER  
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CONTINGENCY RESERVE ALLOCATIONS ARE IN FINAL STAGES OF

BEING MADE, AND DEPTOFFS THUS EXPRESSED DOUBTS THAT IT WOULD BE POSSIBLE TO CONSIDER SECOND QUARTER CONTINGENCY ALLOCATION FOR IRAN. HOWEVER, DEPTOFFS TOLD SAFAI USG WOULD GIVE IRANIAN REQUEST FULL AND CAREFUL CONSIDERATION FOR POSSIBLE THIRD QUARTER CONTINGENCY ALLOCATION WITHIN CONSTRAINTS IMPOSED BY LIMITED CONTINGENCY RESERVE AND VERY HEAVY FOREIGN REQUESTS FOR CONTINGENCY ALLOCATIONS. THEY ALSO CAUTIONED SAFAI HERE THAT USG HAD NOT YET MADE ANY DECISION CONCERNING CONTINUATION OF CONTROLS BEYOND SECOND QUARTER.

3. DEPTOFFS ADVISED SAFAI THAT FOLLOWING INFORMATION WOULD BE MOST HELPFUL IN EVALUATING IRANIAN REQUEST FOR CONTINGENCY RESERVE ALLOCATION:

- A. IRANIAN STEEL PRODUCTION IN 1973, AND PRODUCTION ESTIMATE FOR 1974.
- B. IRANIAN FERROUS SCRAP USAGE IN 1973, AND ESTIMATED TOTAL SCRAP REQUIREMENTS IN 1974.
- C. IRANIAN SCRAP SUPPLIES IN 1973 (IE, AMOUNTS GENERATED LOCALLY AND IMPORTED, INCLUDING SOURCES OF IMPORTS), AND ESTIMATED SUPPLIES IN 1974 (SAME TYPE OF INFO).

4. SAFAI SAID HE WOULD REPORT HIS MEETING TO TEHERAN AND AT SAME TIME REQUEST AUTHORITIES PROVIDE SCRAP DATA REQUESTED BY DEPTOFFS.

5. EMBASSY TEHERAN REQUESTED CONTACT APPROPRIATE GOI AND/OR STEEL INDUSTRY OFFICIALS RE DATA REQUESTED PARA 3 ABOVE. DEPARTMENT WOULD ALSO APPRECIATE EMBASSY'S COMMENTS ON DATA, AS WELL AS ANY GENERAL COMMENTS OR OBSERVATIONS ON IRANIAN SCRAP REQUEST. RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STEEL, IMPORTS, SCRAP METALS, EXPORT QUOTAS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE105146  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** WPOLIK:LMP  
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**Film Number:** D740125-0835  
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**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GarlanWA  
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**Review Content Flags:**  
**Review Date:** 20 AUG 2002  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** US FERROUS SCRAP EXPORTS  
**TAGS:** EIND, ETRD, IR, US  
**To:** TEHRAN  
**Type:** TE  
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